

Final Tax Distributions for 2017

Tensie Axton

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To: Tensie Axton <taxton@neighborshealth.com>;

Cc: Chad J. Shandler <Chad.Shandler@CohnReznick.com>; Tricia Todd <ttodd@neighborshealth.com>;

All Participants,

Many of you have asked about final tax distributions for 2017. Below is the process we have completed to determine the amount of tax distributions required to cover each participant's estimated tax liability for 2017.

- Estimated tax liability for each center for 2017 based on 40% tax rate. This calculation is consistent with prior years and was reviewed by our external tax firm.
- Calculated the estimated tax liability of each participant based on ownership in each center (taking into account any changes in ownership during 2017)
- For each participant in each center, compared the estimated tax liability to distributions already received by each participant
- For each participant in each center, **if your estimated tax liability is greater than tax distributions you have already received, an additional distribution will be made to you TOMORROW**. Otherwise, you have already received enough in distributions to cover your estimated tax liability and you will not be receiving a distribution tomorrow.

If you are due a tax distribution, you will receive a separate email with those details.

Many of you have also expressed concern about how the increased volume in the last few weeks of 2017 could potentially increase your 2017 tax liability. As a reminder, your taxes are calculated on a cash basis. Thus, the tax impact of the recent increased volume will primarily be in 2018 when cash is collected on those claims.

Please let me know if you have any questions.

Regards,

Tensie



Tensie Axton
Chief Financial Officer

address 10800 Richmond Ave. Houston, TX 77042
office 713.436.5200 | fax 713.436.5210
cell 303.506.5748 | NEC24.COM